

Notice of Intention to Circulate Petition

City of Sausalito



Notice is hereby given by the persons whose name appear hereon of their intention to circulate the petition within the City of Sausalito for the purpose of placing a measure before City of Sausalito voters that will establish safe and fair regulation for commercial cannabis activities in the City of Sausalito. A statement for the reasons of the proposed action as contemplated in the petition is as follows:

While many Sausalito residents favor establishing safe, legal, and regulated retail access to cannabis within the city, no proposals to establish retail cannabis permitting to date have included the protections desired by the community, as well as a fair and legally sound process for issuing permits. Consistent with the desire of Sausalito residents, this initiative provides for a single cannabis retail business permit and a single cannabis delivery business permit while:

- *Excluding Waterfront (W) and Central Commercial (CC) Zones to protect sensitive downtown and working waterfront neighborhoods.*
- *Expanding setbacks from schools to include a 1,000 foot setback from pre-schools.*
- *Adding a setback requirement from Residences.*
- *Limiting hours of operation for Retail & Delivery sales to begin at 8 am.*
- *Prioritizing equity ownership instead of City residency requirement.*
- *Aligning with the State of California definition of Social Equity to prioritize impacts on marginalized communities via Community Benefit Plan.*
- *Adding operating experience requirements for Retail applicant to ensure quality operators.*
- *Authorizing City Council to modify the number of retail permits in 2 years.*
- *Requiring a Conditional Use Permit in order to operate a commercial cannabis business, allowing for robust public input and City review.*
- *Not exposing the City to legal liability over constitutionality under Article 12.*
- *Providing a fair and competitive process for application and selection.*

We respectfully request that the City of Sausalito prepare a ballot title and summary of our measure submitted with this Notice of Intention to Circulate Petition. Thank you.

Submitted by:

Name	Signature	Address
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INITIATIVE MEASURE

The people of the City of Sausalito do ordain as follows:

SECTION 1. TITLE.

The title of this initiative is “The Safe and Fair Regulation of Cannabis Initiative” (the “*Initiative*”).

SECTION 2. FINDINGS AND PURPOSE.

- I. **Findings.** The People of the City of Sausalito find and declare the following:
 - a. In 1996, the voters of the State of California approved Proposition 215, The Compassionate Use Act, allowing persons in need of cannabis for specified medical purposes to obtain and use cannabis.
 - b. On August 29, 2013, in response to the number of states seeking to legalize cannabis, the United States Department of Justice issued a memorandum known as the Cole Memo, outlining federal cannabis enforcement priorities and specifying that the federal government would continue to rely on states and local law enforcement agencies to address cannabis activity through enforcement of their own narcotics laws.
 - c. The federal law enforcement priorities articulated in the Cole Memo include: preventing the distribution of cannabis to minors; preventing cannabis sales revenue from going to criminal enterprises, gangs, and cartels; preventing the diversion of cannabis from states where it is legal to other states; preventing state-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illicit drugs or activity; preventing violence and use of firearms in the cultivation and distribution of cannabis; preventing drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use; preventing the cultivation of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and preventing cannabis possession or use on federal property.
 - d. On October 9, 2015, Governor Brown signed into law the Medical Marijuana Regulation and Safety Act (“*MMRSA*”), effective January 1, 2016, which established a comprehensive state licensing and regulatory framework for the cultivation, manufacturing, testing, distribution, transportation, dispensing, and delivery of medicinal cannabis, and which recognized the authority of local jurisdictions to prohibit or impose additional restrictions on commercial activities relating to medicinal cannabis. On June 27, 2016, Governor Brown signed into law Senate Bill 837, which amended *MMRSA* and renamed it the Medical Cannabis Regulation and Safety Act (“*MCRSA*”).
 - e. On November 8, 2016, the voters of the State of California approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (“*AUMA*”), which legalized the non-medicinal use of cannabis for adults 21 years of age and older, created a state regulatory, licensing, and taxation system for non-medicinal cannabis businesses, and reduced penalties for cannabis-related crimes.

- f. On June 27, 2017, Governor Brown signed into law the Medical and Adult Use Cannabis Regulation and Safety Act (“*MAUCRSA*”), effective immediately, reconciling MCRSA and Proposition 64, unifying the adult-use and medicinal cannabis markets within the same regulatory regime, and making explicit the protection of the public to be the highest priority for all state licensing authorities in exercising their licensing, regulatory, and disciplinary functions under MAUCRSA. Under MAUCRSA, local jurisdictions may adopt and enforce ordinances to further regulate cannabis businesses, including zoning and permitting requirements and prohibitions on certain types of businesses.
- g. In November of 2017, the City Council adopted an interim ordinance that, among other things, banned commercial cannabis retail businesses from domiciling themselves in the City.
- h. On October 22, 2019, the City Council unanimously approved an ordinance regulating cannabis in the City of Sausalito (the “*Ordinance*”). The Ordinance went into effect 30 days after its approval. The Ordinance made permanent the interim ordinance that was first adopted by the City Council in November 2017. The Ordinance was permanently incorporated into the Sausalito Municipal Code and, among other things, continues the City’s ban on cannabis retail businesses.

- II. **Purpose.** The proposed amendments and supplements to the Ordinance are necessary and desirable to protect the public health, safety, social equity and environmental resources, provide a regulatory pathway for legal retail cannabis businesses consistent with state regulations and ensure that environmental, public health, safety and nuisance factors related to the cannabis industry are adequately addressed.

SECTION 3. MUNICIPAL CODE.

Chapter 10.47 of the City’s Municipal Code is hereby deleted in its entirety and amended, restated and supplemented with the following:

10.47.10 – Definitions.

The following words or phrases, whenever used in this Chapter, are defined as described below. The definitions contained within Business and Professions Code Section 26001 shall control in the event that a term is not defined herein. For any reference to California State code, such reference shall include any successor provisions thereof and wherever California State law refers to a “permittee” it shall include a Clearance Holder hereunder.

“*Applicant*” means an individual applying for a City issued permit, clearance, or other authorization.

“*Applicant Entity*” means a corporation, limited liability company, partnership, or other business entity applying for a City issued permit, clearance, or other authorization.

“*Application Window*” shall have the meaning set forth in section 10.47.45 herein.

“*California Opportunity Zone*” shall have the meaning set forth in the Internal Revenue Service tax code.

“*Cannabis*” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “*Cannabis*” also means the separated resin, whether crude or purified, obtained from the plant. “*Cannabis*” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which are incapable of germination. For the purpose of this division, “*Cannabis*” does not mean “*Industrial hemp*” as defined by Section 11018.5 of the Health and Safety Code.

“*Cannabis Product*” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

“*CEQA*” means the California Environmental Quality Act.

“*City*” means the City of Sausalito, California.

“*City Code*” means the City of Sausalito Municipal Code.

“*City Council*” means the City of Sausalito City Council.

“*City Manager*” means the City Manager of the City of Sausalito, California or his/her/their designee.

“*Clearance Finalists*” has the meaning set forth in section 10.47.45(B)(4).

“*Clearance Holder*” means a Person with a Commercial Cannabis Business Clearance.

“*Commercial Cannabis Activity*” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and Cannabis Products as provided for in this division, or acting as a cannabis event organizer for temporary cannabis events.

“*Commercial Cannabis Business*” means any Person lawfully engaged, or seeking to engage, in a Commercial Cannabis Activity as set forth by the California Business and Professions Code.

“*Commercial Cannabis Business Clearance*” means the clearance provided by the City authorizing a Person to lawfully engage in Commercial Cannabis Activity in accordance with such clearance.

“Community Benefits Agreement” has the meaning set forth in section 10.47.45(C)(5) herein.

“Community Compatibility Brief” has the meaning set forth in section 10.47.45(B)(1) herein.

“Community Liaison” means the person designated to receive and respond to questions, comments, concerns, or other communications from community members regarding a Commercial Cannabis Business.

“Conflicting Initiative” has the meaning set forth in Section 7 herein.

“Cultivation” has the same meaning as in Business and Professions Code, Division 10, Chapter 1, Section 26001.

“Customer” means a natural person 21 years of age or older, or a natural person 18 years of age or older who possesses a Physician’s Recommendation, or a Primary Caregiver.

“Delivery” has the same meaning as in Business and Professions Code, Division 10, Chapter 1, Section 26001.

“Distribution” has the same meaning as in Business and Professions Code, Division 10, Chapter 1, Section 26001.

“Equity Criteria” has the meaning set forth in section 10.47.45(A)(4)(f) herein.

“Equity Owner” means an individual that owns at least 10% of the Applicant Entity and satisfies at least one of the Equity Criteria concerning prior criminal record of cannabis related conviction or arrest, household income, or neighborhood as set forth in section 10.47.45 herein.

“Manufacture” or *“Manufacturing”* has the same meaning as in Business and Professions Code, Division 10, Chapter 1, Section 26001.

“Medicinal Cannabis” or *“medicinal cannabis product”* means cannabis or a cannabis product, respectively, intended to be sold or donated for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found in Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in the State of California who possesses a Physician’s Recommendation, or in compliance with any compassionate use, equity, or other similar program administered by a local jurisdiction.

“Microbusiness” has the same meaning as in Business and Professions Code, Division 10, Chapter 1, Section 26001.

“Non-Storefront Retail Commercial Cannabis Business” means a cannabis retailer that is only authorized to conduct retail sales via Delivery.

“*Operational Standards*” has the same meaning set forth in section 10.47.50 and 10.47.55, as applicable.

“*Owner*” means any of the following:

- a. A Person with an aggregate ownership interest of ten percent (10%) or more in the Person applying for a license or a permittee, unless the interest is solely a security, lien, or encumbrance.
- b. The chief executive officer of a nonprofit or other entity.
- c. A member of the board of directors of a nonprofit.
- d. An individual who will be participating in the direction, control, or management of the Person applying for a license.

“*Person*” includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

“*Physician’s Recommendation*” means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

“*Premises*” means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the Applicant or Clearance Holder where the Commercial Cannabis Activity will be or is conducted. The Premises shall be a contiguous area and shall only be occupied by one Clearance Holder.

“*Primary Caregiver*” has the same meaning as in Section 11362.7 of the Health and Safety Code.

“*Principal Residence*” has the same meaning as in Title 26, Section 1.121-1 of the Code of Federal Regulations.

“*Purchaser*” means the Customer who is engaged in a transaction with a Clearance Holder for purposes of obtaining cannabis or Cannabis Products.

“*Qualified Patient*” has the same meaning as in Section 11362.7 of the Health and Safety Code.

“*Retail Area*” means the room or area within a Storefront Retail Commercial Cannabis Business where cannabis and Cannabis Products are sold to customers.

“*Retailer*” means a Person authorized to engage in the retail sale and delivery of cannabis or Cannabis Products to Customers.

“*School*” means any state licensed public or private school building providing instruction in pre-school, kindergarten or any of grades 1 to 12, inclusive, but does not include any school in which education is primarily conducted in private homes.

“*Sell*,” “*sale*,” and “*to sell*” include any transaction whereby, for any consideration, title to cannabis or Cannabis Products is transferred from one person to another, and includes the delivery of cannabis or Cannabis Products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or Cannabis Products by a Clearance Holder to the Clearance Holder from whom the cannabis or Cannabis Product was purchased.

“*Storefront Retail Commercial Cannabis Business*” means a Cannabis Retailer that is authorized to conduct sales to Customers in person at its Premises and via Delivery.

“*Testing Laboratory*” has the same meaning as in Business and Professions Code, Division 10, Chapter 1, Section 26001.

“*Track and Trace System*” means the program for reporting the movement of cannabis and Cannabis Products through the distribution chain established by the California Department of Cannabis Control in accordance with Business and Professions Code, Division 10, Chapter 1, Section 26067.

10.47.15 - Commercial Cannabis Business Clearance and Conditional Use Permit Required.

- A. **Authorizations Required.** It shall be unlawful to engage in any Commercial Cannabis Activity or to operate a Commercial Cannabis Business within the City without obtaining and maintaining:
1. A Commercial Cannabis Business Clearance;
 2. A Conditional Use Permit;
 3. A City business license;
 4. A license issued by a California Department of Cannabis Control pursuant to Division 10 of the California Business and Professions Code;
 5. Any such other licenses, permits, certifications, authorizations, clearances, or registrations that may be required by state or City laws and regulations.
- B. **Revocation and Suspension.** It shall be unlawful for any Person to engage in any Commercial Cannabis Activity for which a Commercial Cannabis Business Clearance has been granted under this Chapter if such Commercial Cannabis Business Clearance has been revoked, or during any period in which such Commercial Cannabis Business Clearance is suspended.

10.47.20 - Cultivation of Cannabis for Personal Use. Notwithstanding the requirements of this Chapter, a person may plant, cultivate, harvest, dry, or process cannabis plants to the extent allowed under California Health and Safety Code Sections 11362.1(a)(3) and 11362.77, subject to all restrictions under California State law inside a single private residence or accessory structure to the residence located on the grounds of that residence; provided, that the location is fully enclosed and secured against unauthorized entry, and provided that the following standards are met:

- A. **Building and Fire Codes.** Cannabis cultivation including any lighting, plumbing, or electrical components shall comply with all applicable building and fire codes.
- B. **Gas Products.** The use of gas products (CO₂, butane, etc.) for cannabis cultivation is prohibited.
- C. **Sight and Smell.** Cannabis shall not be detectable by sight or smell from adjacent properties or public spaces.
- D. **Occupied Residence.** The residential structure shall remain at all times an occupied residence, with legal and functioning cooking, sleeping, and sanitation facilities with proper ingress and egress. These rooms shall not be used for cannabis cultivation where such cultivation will prevent their primary use.
- E. **Property Owner Authorization.** The property owner must provide express written consent allowing cannabis cultivation in the event any non-owner occupant wishes to cultivate cannabis on the property.
- F. **Cultivation Area.** Cannabis cultivation shall not occur in both a detached structure and inside a residence on the same parcel. Only one (1) cultivation area is allowed per parcel.

10.47.25 - Commercial Cannabis Business Clearance Types Available.

- A. The City may issue one (1) Storefront Retail Commercial Cannabis Business Clearance and one (1) Non-Storefront Retail Commercial Cannabis Business Clearance for every six thousand (6,000) residents living in the City. Twenty-Four (24) months following the issuance of each of the first Commercial Cannabis Business Clearances for Storefront and Non-Storefront Retail Commercial Cannabis Businesses, new Commercial Cannabis Business Clearance applications may be processed by the City's Planning Department at a ratio of one (1) Storefront Retail Commercial Cannabis Business Clearance and one (1) Non-Storefront Retail Commercial Cannabis Business Clearance for every four thousand (4,000) residents.
- B. The City shall not issue Commercial Cannabis Business Clearances for cannabis cultivation, manufacturing, distribution, microbusinesses, or testing laboratories pursuant to this Chapter. Such uses are not permitted within City boundaries for at least one (1) year from the effective date of this Chapter. Following one (1) year of the effective date of this chapter the City Council may amend this Chapter to allow for all other commercial cannabis uses.

10.47.30 - Term and Renewal of Commercial Cannabis Business Clearances.

A Commercial Cannabis Business Clearance shall be valid for one (1) year from the date of issuance. A Commercial Cannabis Business Clearance must be renewed annually. A renewal application must be submitted by the holder of the Commercial Cannabis Business Clearance to the City Manager no earlier than ninety (90) days, and no later than thirty (30) days, prior to the expiration of the existing Commercial Cannabis Business Clearance, in a form to be determined by the City Manager. The renewal application must include a renewal fee in an amount to be determined by City Council resolution, all Required Application Materials as set forth in section 10.47.45(A)(4) herein or otherwise in this Chapter or a statement of "no change" to the previously submitted Required Application Materials, and proof that the Commercial Cannabis Business Clearance Holder has complied with all Community Benefits Agreement requirements, as described in this Chapter, during the existing Commercial Cannabis Business Clearance year.

10.47.35 Transferability and Ownership Changes.

A. **Transferability and Ownership Changes.** Commercial Cannabis Business Clearances are not transferable or assignable from the recipient thereof to another Person or location. In the event of the sale or other transfer of the equity involving the business or operations covered by the Commercial Cannabis Business Clearance, changes in ownership shall be made in accordance with the following:

1. New Owner(s). If one (1) or more of the Owners of the Clearance Holder change, the new Owners shall submit to a livescan background check and the business shall provide proof of completion of a livescan background check for each new Owner to the City within fourteen (14) calendar days of the effective date of the ownership change. Within fourteen (14) calendar days of the effective date of the ownership change, the business shall also submit an updated Statement of Qualifications and proof of continued Equity Owner Requirement compliance as required by this Chapter. Notwithstanding the foregoing, after one (1) year of the effective date of this Chapter, the City may modify, repeal or otherwise amend the transferability restrictions related to Commercial Cannabis Business Clearances as pertains to Equity Owners upon the written request of any Equity Owner of a Commercial Cannabis Business that holds a Commercial Cannabis Business Clearance issued pursuant to this Chapter.
2. Operational Matters. The business may continue to operate under the active Commercial Cannabis Business Clearance while the City reviews the qualifications of the new Owner(s) in accordance with this Chapter to determine whether the change would constitute grounds for denial of the Commercial Cannabis Business Clearance, if at least one (1) existing Owner is not transferring his/her/their ownership interest in the business and will remain as an Owner under the new ownership structure. If all Owners will be transferring their ownership interest, the Commercial Cannabis Business Clearance shall be revoked, and operations shall cease immediately.
3. Change of Ownership. A change in ownership occurs when a new Person meets the definition of Owner of the business pursuant to this Chapter.
4. Ownership Allocation Change. A change in ownership does not occur when one or more Owners leave the business by transferring their ownership interest to other existing Owner(s) of the business.
5. Notification. In cases where one or more Owners leave the business by transferring their ownership interest to the other existing Owner(s) of the business, the Owner or Owners that are transferring their interest shall provide a signed statement to the City confirming that they have transferred their interest within fourteen (14) calendar days of the change.

10.47.40 - Location Requirements.

Storefront Retail and Non-Storefront Retail Commercial Cannabis Businesses shall be subject to the following Premises location requirements:

A. **Overconcentration.** To avoid overconcentration, a Storefront Retail Commercial Cannabis Business shall not be established within one thousand (1,000) feet of any other Storefront Retail Commercial Cannabis Business.

- B. **Setback to Schools.** Storefront and Non-Storefront Retail Commercial Cannabis Businesses shall be subject to a one thousand (1,000) foot minimum setback from any School, as defined herein.
- C. **Setback from Permitted Residences.** Storefront and Non-Storefront Retail Commercial Cannabis Businesses shall be subject to a fifty (50) foot minimum setback from any permitted residence.
- D. **Measurement of Distance.** The measurement of the distance between Schools, residential zones, and other Commercial Cannabis Businesses shall be measured from the main entrance for customer ingress and egress, or the front door of any residence, as applicable, to the main entrance for customer ingress and egress to the Applicant or licensed Commercial Cannabis Business, as applicable, measured by the pedestrian or vehicular path of travel on public roads, streets, freeways, sidewalks, or highways, taking into account natural topographical barriers and constructed barriers such as freeways, flood control channels, bridges, buildings, homes, privately owned parcels, or railroad tracks without pedestrian or automobile crossings that would impede direct physical access between the uses. In such a case, the separation distance shall be measured by the most direct route around the barrier in a manner that establishes direct access as measured herein.
- E. **Zoning Districts.** Storefront and Non-Storefront Retail Commercial Cannabis Businesses may only be located on parcels within the following zoning districts: CR, CN-1, CN-2, CS, CW, and I zones in the City regardless of any Overlay District limitations in such zones as described and detailed in Chapter 10.28 of the City Code.

10.47.45 Commercial Cannabis Business Clearance, Conditional Use Permit, Building Permit, and Confirmation Process. All those seeking to operate a Storefront or Non-Storefront Retail Commercial Cannabis Business with Premises located within the boundaries of the incorporated City shall be subject to the following process:

- A. **Phase 1: Request for Commercial Cannabis Business Clearance Applicants, Application Review, and Identification of Qualified Applicants.**
 - 1. Request for Applicants. Within sixty (60) days of the effective date of this Chapter, the City shall post to its website a Request for Applicants for the City's available Storefront Retail Commercial Cannabis Business Clearance(s) and Non-Storefront Retail Commercial Cannabis Business Clearance(s).
 - 2. Application Window. The posting of the aforementioned Request for Applicants shall signal the opening of the Commercial Cannabis Business Clearance Application Window (the "*Application Window*"). The Application Window is the period during which the City shall accept applications for Storefront and Non-Storefront Retail Commercial Cannabis Business Clearances. The Application Window shall be open for fourteen (14) days from the date the Request for Applicants is posted to the City's website and shall remain open until 5:00 pm on the fourteenth day thereafter.
 - 3. Multiple Applications. Applicants interested in applying for both a Storefront and Non-Storefront Retail Commercial Cannabis Business Clearance must submit a separate application for each business type.

4. **Required Application Materials.** Along with the Request for Applicants noted in Section 10.47.45(A)(1), the City shall post to its website a detailed description of the Required Application Materials that an Applicant or Applicant Entity must prepare and submit to the City within the Application Window to apply for a Storefront Retail Commercial Cannabis Business Clearance or a Non-Storefront Retail Commercial Cannabis Business Clearance. Failure to submit all Required Application Materials in the method prescribed by the City shall result in the denial of the application. Once an application is submitted, there shall be no right to cure, update, amend, or otherwise supplement the application without approval by the City. The Required Application Materials are as follows:
- a. **Cover Page.** A cover page listing, at minimum, the following:
 - i. The name of the Applicant or Applicant Entity.
 - ii. If the Applicant is an entity, whether the Applicant Entity is a corporation, limited liability company, partnership, or other type of entity and the jurisdiction in which the Applicant Entity was formed.
 - iii. The Federal Employer Identification Number issued to the Applicant or Applicant Entity.
 - iv. A list of any and all licenses issued by the California Department of Cannabis Control that are held by the Applicant or Applicant Entity.
 - v. Whether the Applicant or Applicant Entity is seeking a Storefront Retail Commercial Cannabis Business Clearance or a Non-Storefront Retail Commercial Cannabis Business Clearance.
 - b. **Owners List.** A list of all Owners of the Applicant Entity that includes, at minimum, the following for each Owner:
 - i. Legal name.
 - ii. Social security number.
 - iii. Driver's license or government issued ID number .
 - iv. Phone number.
 - v. Email address.
 - vi. Physical address.
 - vii. A list of any and all criminal convictions.If an Owner of the Applicant Entity is itself an entity, the Applicant Entity shall provide the information described in subsection (b) immediately above, for every Person that qualifies as an Owner of the entity. If the Applicant is an individual, he/she/they shall provide all of the information required of Applicant Entity Owners.
 - c. **Proof of Live Scan Background Check for All Owners.** Every Applicant or Owner of an Applicant Entity shall submit to a Live Scan Background Check and submit proof of completion of the required Live Scan Background Check to the City with its Application. What documentation shall be accepted by the City as proof of completing the required Live Scan Background Check shall

be determined by the City and specified at the time it publishes its Request for Applicants.

An Application shall be automatically deemed ineligible for further review and therefore denied if the results of the required Live Scan Background Check show that the Applicant or any Owner of the Applicant Entity is currently on probation or parole for any misdemeanor or felony offense or has been convicted of any of the following:

- i. A violent felony conviction, as specified in California Penal Code (“*Penal Code*”) section 667.5(c).
 - ii. A serious felony conviction, as specified in Penal Code section 1192.7(c).
 - iii. A felony conviction involving fraud, deceit, or embezzlement.
 - iv. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
 - v. A felony conviction for drug trafficking with enhancements pursuant to Health and Safety Code section 11370.4 or 11379.8.
- d. **A Statement of Owner Qualifications.** A written statement detailing, and documentary evidence proving, how the Applicant or Applicant Entity meets or exceeds the following minimum requirements:
- i. For Storefront Retail Commercial Cannabis Business Clearance Applicants only:
 1. The Applicant or at least one Owner of the Applicant Entity has at least three (3) years experience owning and/or operating a state licensed retail commercial cannabis business in the State of California.
 2. The Applicant or at least one (1) Owner of the Applicant Entity is also a current Owner of a commercial cannabis business that, at the time the Applicant or Applicant Entity submits its Statement of Owner Qualifications, has an active commercial cannabis license issued by the California Department of Cannabis Control.
 - ii. For both Storefront Retail and Non-Storefront Retail Commercial Cannabis Business Clearance Applicants:
 1. The Applicant or at least one (1) Owner of the Applicant Entity has at least five (5) years of experience owning or managing a business.

2. Proof that the Applicant or the Applicant Entity has or has the ability to open and maintain a business bank account with a bank in the United States that allows or will allow the Applicant or Applicant Entity to bank as necessary to run its business notwithstanding the fact that it will conduct Commercial Cannabis Activities.
- e. **A Community Benefits Plan.** A Community Benefits Plan shall be submitted that includes, at least, the following:
- i. The name, phone number, and email address of the Applicant or Applicant Entity's Community Liaison.
 - ii. A detailed Community Contact Response Plan that includes responses the following questions:
 - A. How will the Applicant or Applicant Entity inform the community about its Community Liaison and his/her/their contact information?
 - B. How will the Applicant or Applicant Entity respond to community concerns or complaints received by its Community Liaison?
 - C. How long will it take for the Community Liaison or his/her/their appointed representative to respond to an individual who left a comment, concern or complaint, if possible?
 - D. Who will be involved in the response and resolution of any community complaints or concerns received by the Community Liaison?
 - E. How will the Applicant or Applicant Entity track comments, concerns, and complaints received by its Community Liaison?
 - iii. A detailed Community Education Plan wherein the Applicant or Applicant Entity agrees to hold or participate in at least two community education events per calendar year that aim to educate community members about the uses, benefits, and risks associated with medical and recreational cannabis use.
 - iv. A detailed Community Give Back Plan that includes, at minimum, a statement that the Applicant or Applicant Entity agrees to donate at least 1% of its yearly profits, with a minimum donation of \$300,000 over five years for any Storefront Retail Commercial Cannabis Business Clearance Holder, to programs in Marin County that support those individuals that have been disproportionately negatively impacted by the policies and laws associated with the "war on drugs".
 - v. A detailed Community Benefits Reporting and Monitoring Plan that includes at least the following:

- A. A description of how the Applicant or Applicant Entity will ensure that all aspects of its Community Benefits Plan are carried out as described in the Plan.
 - B. A description of the records that the Applicant or Applicant Entity will maintain on site to prove ongoing compliance with its Community Benefits Plan as submitted to the City.
 - C. A statement that the Applicant or Applicant entity understands that if it is ultimately selected to receive a Commercial Cannabis Business Clearance from the City, it shall be required to execute a Community Benefits Agreement with the City as later described in this Chapter before the applicable Commercial Cannabis Business Clearance will be issued.
- f. **Proof of Compliance with the Equity Owner Requirement.** To be eligible for a Commercial Cannabis Business Clearance an Applicant Entity must be owned by an Equity Owner. An Equity Owner is an individual who owns no less than ten percent (10%) of the Applicant Entity and satisfies at least one (1) of the following equity criteria ("*Equity Criteria*"):
 - i. California Cannabis Conviction or Arrest: The person was convicted of or arrested for a cannabis crime in the State of California prior to November 8, 2016.
 - ii. Household Income: The person's household income is less than or equal to sixty percent (60%) of the area median income for the local jurisdiction where they have their Principal Residence.
 - iii. Neighborhood: The person lived for at least five years between 1980 and 2016 in an area disproportionately impacted by cannabis criminalization as evidenced by the fact that the area was in:
 - A. The top 25% nationally for:
 - 1. Unemployment and poverty, or
 - 2. Single parent or non-family households, or
 - 3. The bottom 25% nationally for high school graduation rates; or
 - B. A California Opportunity Zone; or
 - C. A California county with drug arrest rates that were higher than the state rates.

If the Applicant is an individual rather than an entity, the Applicant his/her/their self must meet at least one (1) of the Equity Criteria outlined above.

The Applicant or Applicant Entity must submit documentation proving it meets the requirements of this section. The documents that will be accepted as proof that the Applicant or Applicant entity meets the requirements of this section shall be determined by the

City Manager and a list of acceptable documents shall be published to the City's website at the same time the City's Request for Applicants.

5. Application Window Closing, Application Review, and Publication of Qualified Applicants List. Upon the close of the fourteen (14) day Application Window, no additional Applications shall be accepted by the City. Once the Application Window is closed, the City shall have thirty (30) business days to review all submitted Applications and publish to its website a list of Qualified Applicants for the City's Storefront Retail Commercial Cannabis Business Clearance and a list of Qualified Applicants for the City's available Non-Storefront Retail Commercial Cannabis Business Clearance. A "Qualified Applicant" is an Applicant or Applicant Entity that timely submitted all Required Application Materials and met all requirements associated with all Required Application Materials as described herein.
6. Appeal of Qualified Applicants Determination. Within ten (10) days after the City publishes the lists of Qualified Applicants for the available Storefront and Non-Storefront Retail Commercial Cannabis Business Clearances, an Applicant or Applicant Entity that submitted an Application but was not included on the applicable Qualified Applicants list may appeal the City's determination to the City Council. The appeal shall be submitted in writing to the City Manager and the City Clerk. The City Council shall hear and decide in its reasonable discretion upon the appeal within thirty (30) days after the appeal is submitted.
7. Number of Qualified Applicants.
 - a. **Single Qualified Applicant for Any Available Commercial Cannabis Business Clearance.** If, upon the close of any applicable appeal window or the conclusion of any appeal regarding the City's Qualified Applicant determinations, only a single Qualified Applicant for a Storefront Retail Commercial Cannabis Business Clearance or a Non-Storefront Retail Commercial Cannabis Business Clearance exists, that Qualified Applicant shall proceed to clearance issuance immediately subject to the following Premise location actions.
 - i. **Premises Location Submission.** Within fifteen (15) days, the Qualified Applicant shall submit to the City, a lease, letter of intent, or other landlord authorization, signed by both the Applicant or Applicant Entity and the property owner for the property in which the Applicant or Applicant Entity intends to establish the Premises of its Commercial Cannabis Business, which authorizes the Commercial Cannabis Business use at the proposed location.
 - ii. **Location Review.** Within thirty (30) days of receipt of the executed lease, letter of intent, or other landlord authorization, as applicable, the City shall issue a letter to the Qualified Applicant that either approves or disapproves the property for the proposed use based on the property's adherence to the zoning and setback requirements for Commercial Cannabis Businesses as detailed in this Chapter and describes how the zoning and setback requirements are met or not met by the proposed Premises location, as applicable.

If the City determines that the Premises location identified by the Qualified Applicant does not meet the zoning and setback requirements of this Chapter, the Qualified Applicant shall have one (1) opportunity to identify an alternative Premises location and shall do so within forty-five (45) days from the date of the location review letter issued by the City deeming the original Premises location disapproved. If, after submitting a second proposed Premises location and executed lease, letter of intent, or other landlord authorization, as applicable, to the City, the Qualified Applicant fails to obtain an approval letter from the City, the Qualified Applicant shall be deemed ineligible to move forward with the Commercial Cannabis Business Clearance process and the City shall re-open the Commercial Cannabis Business Clearance window for the applicable business type as described in (7)(b), below.

- iii. Clearance Issuance Conditioned on Execution of Community Benefits Agreement. Within ten (10) days after the City has completed its location review and issued a letter approving the Qualified Applicant's proposed Premises location, the City shall issue the applicable Commercial Cannabis Business Clearance to the Qualified Applicant for the Premises location approved by the City.

The issuance of the Commercial Cannabis Business Clearance shall be condition upon the execution of a Community Benefits Agreement by both the City and the Qualified Applicant wherein the Qualified Applicant expressly agrees to comply with every aspect of its previously submitted Community Benefits Plan, which may only be amended from time to time with the written consent of the City. Further, the Community Benefits Agreement shall contain a statement wherein the Qualified Applicant acknowledges that its annual renewal of its Commercial Cannabis Business Clearance shall be, in part, dependent on the Qualified Applicant timely submitting acceptable proof of compliance with every aspect of its Community Benefits Plan to the City.

- b. **No Qualified Applicants.** If, upon the closing of the Application Window and the completion of the City's review of all submitted Commercial Cannabis Business Clearance applications for a certain clearance category, there are no Qualified Applicants for a Storefront Retail Commercial Cannabis Business Clearance or no Qualified Applicants for a Non-Storefront Retail Commercial Cannabis Business Clearance, the Application Window for the applicable Commercial Cannabis Business Clearance type shall be reopened extended for an additional thirty (30) days. The application submission window shall be subject to additional thirty (30) day extensions until a Qualified Applicant's application is received by the City. All other processes shall be repeated in such reopened application window as described above as pertains to the original Application Window.

- c. **Multiple Qualified Applicants for Any Available Commercial Cannabis Business Clearance.** If, upon the close of any applicable appeal window or the conclusion of any appeal regarding the City's Qualified Applicant determinations, multiple Qualified Applicants are identified for a Storefront Retail Commercial Cannabis Business Clearance or a Non-Storefront Retail Commercial Cannabis Business Clearance, Qualified Applicants in the applicable Commercial Cannabis Business Clearance category shall move onto the Phase 2 Committee Review process detailed below.

B. Phase 2 - Selection Panel Review and Ranking. If, upon the close of any applicable appeal window or the conclusion of any appeal regarding the City's Qualified Applicant determinations, multiple Qualified Applicants are identified for a Storefront Retail Commercial Cannabis Business Clearance or a Non-Storefront Retail Commercial Cannabis Business Clearance, the following shall take place:

1. **Community Compatibility Brief.** The City Manager shall immediately ask each Qualified Applicant to submit, within thirty (30) days, a detailed community compatibility brief (a "*Community Compatibility Brief*") that explains why the Qualified Applicant is the best suited to meet the following community compatibility objectives and how it will do so:
 - a. Operate a safe and legally compliant business.
 - b. Prioritize the hiring, training, and promotion of individuals that themselves have been disproportionately negatively impacted by the policies and laws associated with the "war on drugs".
 - c. Operate an environmentally sustainable business.
 - d. Conduct community outreach and demonstrate engagement with the local community.
 - e. Make a wide variety of quality cannabis products available for customers.
 - f. Ensure that the odor of cannabis is not detectable from outside the Premises.
2. **Publishing and Selection Panel.** Within forty-five (45) days after the City Manager publishes its lists of Qualified Applicants and assuming more than one (1) Qualified Applicant has been identified for either a Storefront Retail Commercial Cannabis Business Clearance or a Non-Storefront Retail Commercial Cannabis Business Clearance or both, the City Manager shall select two (2) other City employees, who shall attest to having no direct or indirect financial interest in any of the applicable Qualified Applicants, to serve on a selection panel with him/her/them.
3. **Selection Panel Review and Ranking Criteria.** The selection panel shall review each Qualified Applicant's Community Compatibility Brief and all previously submitted Required Application Materials and rank all Qualified Applicants in each clearance category based on their demonstrated ability to meet the community objectives listed in subsection 1, above, and their meeting of the criteria listed in sections 10.47.45(A)(4)(d), (e), and (f), which include the required Statement of Owner Qualification, Community Benefits Plan, and Proof of Compliance with the Equity Owner Requirement.
4. **Report.** Within thirty (30) days after the selection panel members are selected, the panel shall send to the City Council a report with its ranking of the applicable Qualified Applicants based on each Qualified Applicants' demonstrated ability to

meet the community compatibility objectives listed in subsection 1, above and their meeting of the criteria listed in section 10.47.45(A)(4)(d), (e), and (f), which include the required Statement of Owner Qualifications, Community Benefits Plan, and Proof of Compliance with the Equity Owner Requirement. The two (2) highest ranking Qualified Applicants in each Commercial Cannabis Clearance category, as ranked by the selection panel, shall be identified as “*Clearance Finalists*” and shall move forward to Phase 3.

C. Phase 3: Commercial Cannabis Business Clearance Site Review and Final Selection Process. Within thirty (30) days following the publication of the selection panel’s ranking of the Qualified Applicants in each applicable Commercial Cannabis Business Clearance category (Storefront Retail and Non-Storefront Retail), the City shall begin Phase 3 of the selection process which shall include the following:

1. Location Submission. Within fifteen (15) days of the commencement of Phase 3 as described herein, each of the two (2) Storefront Retail Commercial Cannabis Business Clearance Finalists and the two (2) Non-Storefront Retail Commercial Cannabis Business Clearance Finalists shall submit to the City, a lease, letter of intent, or other landlord authorization, signed by both the Applicant or Applicant Entity and the property owner for the property on which the Applicant or Applicant Entity intends to establish the Premises of its Commercial Cannabis Business, which authorizes the Clearance Finalist’s use at the proposed location for commercial cannabis retail purposes.
2. Location Review. Within thirty (30) days of receipt of the executed lease, letter of intent, or other landlord authorization, as applicable, the City shall issue a letter to the Clearance Finalists that either approves or disapproves the property for the proposed use based on the property’s adherence to the zoning and setback requirements for Commercial Cannabis Businesses as detailed in this Chapter and describes how the zoning and setback requirements are met or not met by the proposed Premises location, as applicable. A Clearance Finalist must receive an approval letter in order to move forward to the next step of Phase 3. If the City determines that the initial Premises location identified by a Clearance Finalist does not meet the zoning and setback requirements of this Chapter, the Clearance Finalist shall have one (1) opportunity to identify an alternative Premises location and shall do so within fifteen (15) days from the date of the location review letter issued by the City deeming the original Premises location disapproved. If, after submitting a second proposed Premises location and executed lease, letter of intent, or other landlord authorization, as applicable, to the City, the Clearance Finalist fails to obtain an approval letter from the City, the Clearance Finalist shall be deemed ineligible to move forward with the Commercial Cannabis Business Clearance process and the next highest ranked Qualified Applicant shall be elevated to Clearance Finalist and proceed with the Location Submission and Location Review processes and the remainder of the Commercial Cannabis Business Clearance process as described herein.

If no Clearance Finalist is eligible based on a failure to obtain an approval letter from the City in connection with the above with respect to Premises location, the City shall give both of the two Clearance Finalists in a particular category of

application an additional opportunity within 60 days to identify qualified Premises and the first Clearance Finalist in such category to do so shall be approved for the category Clearance. If the 60-day window is not met by either Clearance Finalist in a category, the Phase 1 application process shall commence anew, as applicable, with respect to such category.

3. Staff Application and Location Review; Preparation of Report and Presentation. If both Clearance Finalists are eligible and have obtained an approval letter from the City in connection with the Premises location, within sixty (60) days following issuance of approval letters to the two (2) Clearance Finalists in a given clearance category, City Staff shall publish a report and make a presentation to the City Council at a regular or special meeting of the City Council regarding each of the Clearance Finalists. The report and presentation shall both include, at a minimum, a summary of each project, the contents of each application, the qualifications which led the project to advance to the final stages of the selection process, and a depiction of the proposed Premises location.
4. City Council Determination and Community Benefits Agreement Condition. Within thirty (30) days following City Staff's presentation to the City Council, the City Council shall hold a hearing to determine which Clearance Finalist will be awarded each available Commercial Cannabis Business Clearance as applicable to each category of Clearance. At the hearing, City Council members shall have the opportunity to question each Clearance Finalist about its proposed business and the public shall be afforded the opportunity to make comments regarding each Clearance Finalist and its proposed business.

Prior to the hearing, each City Council member may visit the proposed Premises location of each Clearance Finalist. After hearing all Staff presentations, concluding any and all question and answer periods, and receiving any and all public comment, the City Council shall vote on which Clearance Finalist shall receive each available Commercial Cannabis Business Clearance as applicable to each category of Clearance. Each Council Member's vote shall be based on each Clearance Finalists demonstrated ability to meet the community compatibility objectives listed in section 10.47.45(B)(1), and each Clearance Finalists meeting of the criteria listed in sections 10.47.45(A)(4)(d), (e), and (f), which include the required Statement of Owner Qualifications, Community Benefits Plan, and Proof of Compliance with the Equity Owner Requirement.

The Clearance Finalist in each available clearance category receiving the most City Council member votes shall be selected to receive the applicable Commercial Cannabis Business Clearance subject to the execution of a Community Benefits Agreement, as described in subsection 5 below, which must occur within thirty (30) days of the City Council vote described above.

5. Community Benefits Agreement Details. A written community benefits agreement (the "*Community Benefits Agreement*") shall be executed by both the City and the selected Clearance Finalist. Within the Community Benefits Agreement, the selected Clearance Finalist shall agree to comply with every aspect of its previously submitted Community Benefits Plan, which may only be amended from time to

time with the written consent of the City. Further, the Community Benefits Agreement shall contain a statement wherein the selected Clearance Finalist acknowledges that the annual renewal of its Commercial Cannabis Business Clearance shall be, in part, conditioned on the timely submission of acceptable proof of compliance with every aspect of its Community Benefits Plan to the City.

6. Issuance of Commercial Cannabis Business Clearance. Within five (5) business days after the execution of the required Community Benefits Agreement, the City shall issue to the selected Clearance Finalist(s) the applicable Commercial Cannabis Business Clearance. The Commercial Cannabis Business Clearance shall contain, on its face, at minimum, the following information:
 - a. The name of the selected Clearance Finalist;
 - b. The applicable Premises location;
 - c. The type of Commercial Cannabis Business authorized by the Commercial Cannabis Business Clearance (e.g. Storefront or Non-Storefront);
 - d. The Commercial Cannabis Business Clearance date of issuance; and
 - e. The Commercial Cannabis Business Clearance expiration date.

D. Phase 4: Land Use and Building Permit Process. Upon receipt of a Commercial Cannabis Clearance, the Clearance Holder shall then apply for land use entitlements, inclusive of a conditional use permit. The planning commission shall then approve or deny the conditional use permit. The applicant may, with approval by the City, change the location of the cannabis business either before the issuance of the conditional use permit or through re-application for a conditional use permit following denial by the planning commission of the original proposed site of the business. Following approval of the conditional use permit, the applicant shall then apply for and obtain building permits prior to commencement of any work being undertaken at the subject property. At the conclusion of all construction, the City shall 'final' the building permits and verify that all relevant conditional use permit and building permit conditions have been satisfied. This shall occur within thirty (30) days of the request of the applicant upon completion of all construction.

E. Phase 5: Confirmation Process. Once the City has verified that all conditions of the conditional use permit and building permits have been satisfied, the applicant must apply for and obtain from the City's business licensing division a business license. Upon issuance of the business license the applicant shall be able to open their business in compliance with California State law.

10.47.50 - Storefront Retail Commercial Cannabis Businesses.

A. Authorized Activities.

1. Commercial Cannabis Retail Activity. A Storefront Retail Commercial Cannabis Business Clearance allows the Clearance Holder to engage in all Commercial Cannabis Retail Activities permitted under applicable California State law, which includes but is not limited to MAUCRSA and any applicable regulations promulgated by the California Department of Cannabis Control.
2. Delivery. A Storefront Retail Commercial Cannabis Business Clearance also allows the Clearance Holder to conduct sales via delivery in compliance with applicable California State law including but not limited to MAUCRSA and the

Department of Cannabis Control Regulations promulgated in furtherance of MAUCRSA.

B. Operational Standards. A Storefront Retail Commercial Cannabis Business shall comply with the following operational standards (the “*Operational Standards*”). Failure to comply with all Operational Standards may result in the suspension or revocation of a Clearance Holder’s Storefront Retail Commercial Cannabis Business Clearance.

1. Compliance with State Law. A Storefront Retail Commercial Cannabis Business must comply with all applicable California State laws and regulations including but not limited to MAUCRSA, the applicable sections of the Business and Professions Code, the applicable sections of the California Code of Regulations and any and all applicable regulations promulgated by the California Department of Cannabis Control.
2. Fixed Place of Business. A Storefront Retail Commercial Cannabis Business must be operated from a fixed place of business. It may not be operated out of a bus, truck, car, van, boat or any other mobile location or location that is capable of being mobile at any time.
3. Hours of Operation. A Storefront Retail Commercial Cannabis Business shall sell and deliver cannabis goods only between the hours of 8:00 a.m Pacific Time and 9:00 p.m. Pacific Time, seven (7) days per week. The City may extend the hours of operation, consistent with California State law, upon the request of a Storefront Retail Commercial Cannabis Business Clearance Holder.
4. Age Requirement Enforcement. A Storefront Retail Commercial Cannabis Business shall post at least one (1) employee at the point of entry to the Premises to confirm that all Customers who seek to enter the Premises meet the age requirements imposed by California Code of Regulations, Title 4, Division 9, Chapter 3, Section 15404 or as otherwise required under California State law.
5. Age Verification Device. A Storefront Retail Commercial Cannabis Business must maintain an electronic age verification device to determine the age of any individual attempting to purchase Cannabis or Cannabis Products, which device shall be used for the Sale of the Cannabis or Cannabis Products to the Customer. The device shall be maintained in operational condition and all employees shall be instructed in its use. Cannabis and Cannabis products shall not be sold to a Customer if the electronic age verification device is not functioning.
6. Security. A Storefront Retail Commercial Cannabis Business shall hire or contract for security personnel who are at least twenty-one (21) years of age to provide onsite security services for the licensed retail Premises during the hours of operation. All security personnel hired or contracted for by the Clearance Holder shall be licensed by the Bureau of Security and Investigative Services and shall comply with chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
7. Oversight. The Storefront Retail Commercial Cannabis Business shall ensure at least one (1) employee is physically present in the retail area at all times when individuals who are not employees of the licensed Storefront Retail Commercial Cannabis Business are in the retail area.

8. Physician Employment. A Storefront Retail Commercial Cannabis Business shall not employ or enter into any agreements with any physicians who recommend medicinal cannabis or with any third party that employs physicians who recommend medicinal cannabis.
9. Community Liaison Posting. A Storefront Retail Commercial Cannabis Business shall post the name and contact information for its Community Liaison on the front door of its licensed Premises. This posting shall not be lit in any way, but shall be legible and protected from the elements such that members of the community can identify the Community Liaison and his/her/their contact information at any time of the day or night from outside of the licensed Premises.
10. Diversion Prevention and Track and Trace System. A Storefront Retail Commercial Cannabis Business shall at all times operate in a manner to prevent diversion of Cannabis and shall comply with any Track and Trace System and program requirements promulgated by the State of California.
11. Security Plan. A Storefront Retail Commercial Cannabis Business shall implement a comprehensive security plan that incorporates at least all applicable security measures detailed in MAUCRSA and California Code of Regulations, Title 4, Division 19, Chapter 1, Article 5.
12. Odor Control. A Storefront Retail Commercial Cannabis Business shall incorporate and maintain adequate odor control measures at its licensed Premises such that the odors of Cannabis cannot be detected from outside of the Premises.
13. Transportation. A Storefront Retail Commercial Cannabis Business that offers Delivery services shall implement procedures for the safe and secure transportation and delivery of Cannabis, Cannabis Products and currency in accordance with California State law.
14. Emergency Access. As required by California State law, a Storefront Retail Commercial Cannabis Business shall install and utilize a variety of security measures at its licensed Premises. A Storefront Retail Commercial Cannabis Business in the City shall ensure that all security measures be designed to ensure emergency access in compliance with the California Fire Code and Sausalito Fire Department standards.

10.47.55 - Non-Storefront Retail Commercial Cannabis Business.

- A. **Authorized Activities**. A Non-Storefront Retail Commercial Cannabis Business Clearance shall allow the Clearance Holder to engage in all Non-Storefront Retail activities permitted under applicable California State law, which includes but is not limited to MAUCRSA and any applicable regulations promulgated by the California Department of Cannabis Control.
- B. **Operational Standards**. Additionally, a Non-Storefront Retail Commercial Cannabis Business shall comply with the following Operational Standards. Failure to comply with all Operational Standards may result in suspension or revocation of a Clearance Holder's Non-Storefront Retail Commercial Cannabis Business Clearance.
 1. Compliance with California State Law. A Non-Storefront Retail Commercial Cannabis Business must comply with all applicable state laws and regulations

including but not limited to MAUCRSA, the applicable sections of the Business and Professions Code, the applicable sections of the California Code of Regulations and any and all applicable regulations promulgated by the California Department of Cannabis Control.

2. Delivery-Only. The Premises of a Non-Storefront Retail Commercial Cannabis Business shall be closed to the public and all Sales shall be conducted exclusively by Delivery.
3. Fixed Place of Business. The Premises of a Non-Storefront Retail Commercial Cannabis Business must be operated from a fixed place of business. It may not be operated out of a bus, truck, car, van, boat or any other mobile location or location that is capable of being mobile at any time.
4. Hours of Operation. A Non-Storefront Retail Commercial Cannabis Business shall deliver cannabis goods only between the hours of 8:00 a.m Pacific Time and 9:00 p.m. Pacific Time, seven (7) days per week. The City may extend the hours of operation, consistent with California State law, upon the request of the Non-Storefront Retail Commercial Cannabis Business Clearance Holder.
5. Inventory. All inventory must be stored on the Premises.
6. Physician Employment. A Non-Storefront Retail Commercial Cannabis Business may not employ or enter into any agreements with any physicians who recommend Medicinal Cannabis or with any third party that employs physicians who recommend Medicinal Cannabis.
7. Age Verification Device. A Non-Storefront Retail Commercial Cannabis Business must provide to all Delivery personnel a remote electronic age verification device to determine the age of any individual attempting to purchase Cannabis or Cannabis Products, which device shall be used upon the Delivery of the Cannabis or Cannabis Products to the Customer. The device shall be maintained in operational condition and all employees shall be instructed in its use. Cannabis and Cannabis products shall not be Delivered to a Customer if the electronic age verification device is not functioning.
8. Diversion Prevention and Track and Trace System. A Non-Storefront Retail Commercial Cannabis Business shall at all times operate in a manner to prevent diversion of Cannabis and shall comply with any Track and Trace System and program requirements promulgated by the State of California.
9. Odor Control. A Non-Storefront Retail Commercial Cannabis Business shall incorporate and maintain adequate odor control measures at its licensed Premises such that the odor of Cannabis is not detectable from outside the Premises.
10. Security Plan. A Non-Storefront Retail Commercial Cannabis Business shall implement a comprehensive security plan that incorporates at least all applicable security measures detailed in MAUCRSA and California Code of Regulations, Title 4, Division 19, Chapter 1, Article 5.
11. Transportation. A Non-Storefront Retail Commercial Cannabis Business shall implement procedures for the safe and secure transportation and delivery of Cannabis, Cannabis Products and currency in accordance with California State law.

12. Emergency Access. As required by California State law, a Non-Storefront Retail Commercial Cannabis Business shall install and utilize a variety of security measures at its licensed Premises. A Non-Storefront Retail Commercial Cannabis Business in the City shall ensure that all security measures be designed to ensure emergency access in compliance with the California Fire Code and Sausalito Fire Department standards.

SECTION 4. EFFECTIVE DATE.

This Initiative is considered adopted and effective upon the earliest date legally possible after the required Elections Official certifies the vote on the Initiative by the City's voters. All references to days in this Initiative shall mean calendar days regardless of holidays, business hours, etc. unless otherwise specified herein.

SECTION 5. IMPLEMENTATION.

Upon the effective date of this Initiative, the City is directed to promptly take all appropriate and necessary actions to implement this Initiative, including but not limited to taking any steps necessary to update any and all City maps, charts, figures, general plans, local coastal programs, and any other documents or programs maintained by the City so they conform to the legislative policies set forth in this Initiative.

The City's Community Development Director, or his/her/their designee, is hereby authorized to make all necessary conforming amendments and/or interpretations to the General Plan, Zoning Code, Land Use Maps, GIS Maps, Local Coastal Program, and/or other City documents to implement and ensure consistency with this Initiative. The subsequent actions and amendments needed to implement this Initiative shall not delay the licensing and opening of the Storefront Retail Commercial Cannabis Businesses and Non-Storefront Retail Commercial Cannabis Businesses authorized herein. City staff shall ensure all amendments and/or interpretations required to ensure consistency with this Initiative are completed within the timelines set forth herein.

SECTION 6. SEVERABILITY.

- I. This Initiative must be interpreted so as to be consistent with all applicable California State laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Initiative is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such division shall not affect the validity of the remaining portions of this Initiative and the deemed invalid or unconstitutional portions of this Initiative shall be deemed revised to uphold the intent hereunder to the maximum extent possible to be compliant with such final judgment. The voters declare that this Initiative, and each section, sub-section, clause, phrase, part or portion thereof, would have been adopted or passed irrespective of the fact that any one (1) or more sections, sub-sections, clauses, phrases, parts or portions is or are found to be invalid. If any provision of this Initiative is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Initiative that can be given effect without the invalid application.
- II. If any portion of this Initiative is (a) held by a court of competent jurisdiction to be invalid, the People of the City indicate our strong desire for the City Council to use its best efforts

to sustain and re-enact that portion, and that the City Council implement this Initiative by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Initiative, including adopting or reenacting any such portion in a manner consistent with this Initiative, or (b) deemed not compliant with California State law, the People of the City indicate our strong desire for the City Council to use its best efforts to sustain and re-enact that non-compliant portion, and that the City Council implement this Initiative by taking all steps possible to cure any inconsistencies with California State law in a manner consistent with the express and implied intent of this Initiative, including adopting or reenacting any such non-compliant portion in a manner consistent with California State law and this Initiative.

- III. This Initiative must be broadly construed in order to achieve the purpose stated herein. It is the intent of the voters that the provisions of this Initiative be interpreted or implemented by the City and others in a manner that facilitates the purpose(s) set forth in this Initiative.

SECTION 7. CONSISTENCY WITH OTHER BALLOT MEASURES/INITIATIVES.

This Initiative is inconsistent with an intended as an alternative to any other initiative or measure placed on the same ballot by any means that addresses the same subject matter as this Initiative (each a “*Conflicting Initiative*”). In the event that this Initiative and one (1) or more Conflicting Initiative(s) are adopted by the voters at the same election, then it is the voter’s intent that only the measure that receives the greatest number of affirmative votes shall control in its entirety and said other initiative(s) or measure(s) shall be rendered void and without any legal effect. Without limiting the foregoing, and for the avoidance of doubt, in no event shall this Initiative be interpreted in a manner that would permit its operation in conjunction with any non-conflicting provisions of any Conflicting Initiative.

SECTION 8. CALIFORNIA ENVIRONMENTAL QUALITY ACT.

The People of the City of Sausalito find that locating a Storefront Retail Commercial Cannabis Business or a Non-Storefront Retail Commercial Cannabis Business within the existing buildings in the CR, CN-1, CN-2, CS, CW, and I zoning districts in the City regardless of any Overlay District limitations in such zones is categorically exempt from the California Environmental Quality Act (“*CEQA*”) pursuant to Section 15301 under Class 1 (Existing Facilities) and Section 15303 under Class 3 (New Construction or Conversion of Small Structures) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential to have a significant effect on the environment.

SECTION 9. NEXT ELECTION.

The undersigned voters of Sausalito hereby request that this Initiative be put to a vote of the people in the next regular or special municipal election.

SECTION 10. DEFENSE OF INITIATIVE.

Notwithstanding any other provision of law, if the City, or any of its officials fail to defend the constitutionality of this Initiative, following its approval by the voters, the proponent of this Initiative shall have the authority to intervene in any court action challenging the constitutionality of this Initiative for the purpose of defending its constitutionality, whether such action is in state or federal trial court, on appeal, or on discretionary review by the Supreme Court of California and/or the Supreme Court of the United States.

****DOCUMENT END****



CITY OF SAUSALITO

420 Litho Street • Sausalito, CA 94965
Telephone: (415) 289-4100
www.sausalito.gov

To: Paul Austin and Joseph Erich Pearson

From: Serge Avila/ Acting City Clerk for the City of Sausalito

Date: 3/4/2022

Re: "The Safe and Fair Regulation of Cannabis Initiative"

RECEIVED

MAR 14 2022

City of Sausalito

The City acknowledges the receipt of your Notice of Intention to Circulate Petition.

At this moment the City is not collecting a Filing or other type of fees. No checks have been received. However, if any charges shall arise City Staff will communicate that when time is appropriate.

If there are any questions please reach out to me directly savila@sausalito.gov or 415-289-4165.

Thank you.

Paul Austin
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Paustin@Playmarin.org
ERICH PEARSON
415.314.4995
epersonsf@gmail.com